Factors affecting Effective Strategy Implementation in a Service Industry: A Study of Electricity Distribution Companies in the Sultanate of Oman

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Abstract

Successful strategy implementation is a key for any organization's survival. Many organizations could not sustain their competitive advantages, despite having a robust strategy formulation process, because they lack the processes in implementing the strategies. Considering the higher failure rates in implementation of strategies, more attention should be given by executives to implementing the strategy. Several reasons are frequently offered for the failure of implementing strategy. While this field of research attracted significant research interests and subsequently added quality theories and models in the western world, this topic has not attracted much attention in the Middle East region. Hence, this study investigated the strategy implementation processes followed in a service industry in the Sultanate of Oman. The study proposed seven factors that affect implementation strategy. The results demonstrate that leadership is by far the most important factor influencing successful implementation strategy in the service sector.

Introduction

While many people believe that formulating an innovative and unique strategy is critical and by itself sufficient to lead a firm to success in today's business world, ensuring that such a strategy works is equally as important. Executives should pay careful attention to the implementation of strategies to avoid common pitfalls that result in failure. A number of approaches that greatly enhance the effectiveness of strategy implementation can be employed. Indeed, good strategic management is a function of people actively considering strategy as they make day-to-day decisions in an ever-changing world.

The strategy literature claims that between 50% and 80% of strategy implementation efforts fail (Ashkenas & Francis, 2000; Beer & Nohria, 2000; Carlopio, 1998, 2003; Jonk & Ungerath, 2006; Raps, 2004; Atkinson, 2006). According to Bell, Dean, and Gottschalk (2010), strategy execution is commonly the most complicated and time-consuming part of strategic management, while strategy formulation is primarily an intellectual and creative act involving analysis and synthesis. Thus, it is important to study the properties of successful strategy implementation. According to Cater and Pucko (2010), the implementation of strategies was a key driver of the emergence of strategic management in late 20th century. Egelhoff (1993) investigated whether organizations are looking for great strategy or great strategy implementation by analyzing Asian firms that have competed successfully by focusing on the implementation of not so distinctive strategies instead of attempting to develop unique strategies. By comparing US and Japanese semiconductor industries, Egelhoff found that the frequent repositioning of American firms had a greater impact on other American companies and a lesser impact on Japanese firms that are busy implementing their long-term product line and market segment strategies.

According to Zaribaf and Bayrami (2010), the majority of large organizations had problems with strategy implementation. The literature supports the view that unlike strategy formulation, strategy implementation cannot be achieved by top management alone; it requires the collaboration of everyone inside the organization and, on many occasions, parties outside the organization. While formulating a strategy is normally a top-down endeavor, implementing it requires simultaneous top-down, bottom-up, and across efforts.

Although numerous studies have defined organizational culture, measured its components/constructs, and associated it with components of organizational success and change (De Hoogh, den Hartog, Koopman, Thiery, van den Berg, van der Weide, & Wilderon, 2004; Mallinger, Goodwin,& O'Hara, 2009), very few have connected a reliable and predictive measure of organizational culture to implementation outcomes in the Gulf region.

Literature Review

Strategy implementation is a connecting loop between formulation and control. Herbiniak (2006) argued that while strategy formulation is difficult, making strategy work and executing it is even more difficult. Similarly, Cater and Pucko (2010) concluded that while 80% of firms have the right strategies, only 14% have managed to implement them well. To determine the relationship between strategy formulation and implementation, Egelhoff (1993) investigated when it is best for organizations to think about strategy implementation: at the time of strategy formulation or afterward. Another question of even more importance to an organization is whether it is more difficult to formulate strategy than to implement it. In other words, should executives and organizations formulate innovative and perhaps unique strategy that can offer a competitive advantage and then attempt to implement it or identify the organization's capability first and then formulate a workable and practical strategy? For example, a well-formulated strategy is meaningless if it is not implemented well. However, too much consideration of various aspects of implementation might result in formulating a strategy that is not competitive and, therefore, implementing it would be a waste of time and resources. Echoing previous studies with similar results, Zaribaf and Bayrami (2010) found that most executives in organizations spend a great deal of time, energy, and money in formulating a strategy, but do not provide sufficient input to implement it properly. Normally, companies change their strategy to reposition themselves and adapt or react to market opportunities and threats; when considering how to implement a strategy, most probably will constrain any creativity in the new strategy. Therefore, one must strike a balance between an innovative and workable strategy and its successful implementation.

Several studies (Ashkenas & Francis, 2000; Beer & Nohria, 2000; Carlopio, 1998, 2003; Cater & Pucko, 2010) have emphasized the importance of formulating and implementing a strategy, with higher importance given to strategy formulation due to its criticality to the existence and expansion of the organization. However, implementing a strategy is much more difficult than formulating it. The former requires leadership skills, precision planning, and organizing of resources and activities as well as ensuring people's commitment to the new strategy, while the latter requires creativity and understanding the business and assessing the market opportunities and the firm's strengths. While strategy formulation is usually a function of top management, its implementation is the responsibility of middle and lower level managers. However, the role of top management is vital in preparing a workable strategy and communicating it clearly so that middle managers can more easily implement it. In other words, a successful implementation journey starts in the formulation stage and a failure to find that link between strategy formulation and strategy implementation is a step toward strategy failure.

Strategy formulation is basically entrepreneurial in nature and requires a great deal of analysis, judgment, and innovation. However, implementation requires administrative and managerial talent and an ability to foresee obstacles that might arise in strategy implementation.

Factors Affecting Strategy Implementation

The body of knowledge in this area is rich with surveys and industry-based studies. Factors that affect strategy implementation can be categorized as leadership style, information availability and accuracy, uncertainty, organizational structure, organizational culture, human resources, and technology. Although most authors agree that these factors affect strategy implementation, each factor's impact is at a different level and carries a different force. Lorange (1998) stated that human resources are becoming the key focus of strategy implementation and reiterated that people, not financial resources, are the key strategic resources in strategy implementation. In a study involving 172 Slovenian companies, Cater and Pucko (2010) demonstrated that managers mostly rely on planning and organizing activities when implementing strategies, while the biggest obstacle to strategy implementation and execution is poor leadership. Their results showed that adapting the organizational structure to serve the execution of strategy has a positive influence on performance.

Fulmer (1990) mentioned that human resources management plays an important role in the effective implementation of strategic plans. It is important for both organization departments and employees to be enthusiastic about the strategy implementation. Getting people involved and having a motivating reward system will have a positive influence on the implementation of strategy.

In addition, technological advancement in terms of speedy processes and procedures, as well as design, will also make a positive contribution to the successful implementation of strategies.

The Role of Leadership in Strategy Implementation

According to Cater and Pucko (2010), while a well-formulated strategy, a strong and effective pool of skills, and human capital are extremely important resources for strategy success, poor leadership is one of the main obstacles in successful strategy implementation. Lorange (1998) argued that the chief executive officer (CEO) and top management must emphasize the various interfaces within the organization. One key challenge in successful strategy implementation is ensuring employees' buy-in and directing their capabilities and business understanding toward the new strategy. Therefore, the need for effective leadership outweighs any other factor. Beer and Eisenstat (2000) addressed this issue from a different perspective; they suggested that in the absence of effective leadership, conflicting priorities will result in poor coordination because employees will suspect that top management prefers to avoid potentially threatening and embarrassing circumstances.

Another aspect of leadership involves enhancing communication within the organization. According to Beer and Eisenstat (2000), blocked vertical communication has a particularly pernicious effect on a business's ability to implement and refine its strategy. Similarly, Janis and Paul (2005) studied the link between a company's corporate communication function and its implementation of strategy and found that CEOs focus on branding and reputation and prioritize internal communication.

Coordination of activities, streamlining of processes, aligning the organizational structure, and keeping employees motivated and committed to strategy implementation are key responsibilities of the leadership. Matthias and Sascha (2008) identified the role of the board, which is to ensure consistency among resource allocation, processes, and the firm's intended strategy. Beer and Eisenstat (2000) referred to poor coordination across functions and inadequate down-the-line leadership skills and development as killers of strategy implementation. Zaribaf and Bayrami (2010) categorized the leadership's importance into three key roles: managing the strategic process, managing relationships, and managing manager training. Similarly, Ansari's (1986) study on just-in-time purchasing concluded that the commitment and leadership of top-level management is essential in strategy implementation. In a study involving Zimbabwe's state-owned enterprises, Mapetere, Mavhiki, Tonderai, Sikomwe, and Mhonde (2012) found that relatively low leadership involvement in strategy implementation led to partial strategy success in the organization studied.

Researchers have also examined the influence of hierarchical leadership in implementing strategies. O'Reilly, Caldwell, Chatman, Lapiz, Self, and William's (2010) study concluded that it was only when leaders' effectiveness at different levels (hierarchies) was considered in the aggregate that significant performance improvement occurred while implementing strategies. Implementation incorporates a number of aspects, some of which can be changed directly and some of which can only be changed indirectly. The latter aspects are more difficult for strategic leadership to control and change. While studying how implementation of competitive strategies affects business units' performance, Menguc, Auh, and Shih (2007) argued that managers' use of transformational leadership skills results in the best competitive strategies, including innovation differentiation, marketing differentiation, and low cost of the product.

The leadership style in a given organization influences how the chosen strategies will be implemented. Organizational structure, delegation of responsibilities, freedom of managers to make decisions, and the incentives and rewards systems will all be influenced by the leadership style in a particular organization. The most important point to note here is that all of the above parameters are essential in the successful implementation of strategies in any given organization.

The Role of Culture in Strategy Implementation

Ahmadi, Salamzadeh, Daraei, and Akbari (2012) studied the impact of organizational culture while implementing strategies in Iranian banks and concluded that a meaningful relationship exists between organizational culture and strategy implementation. Results of their study showed that all types of organizational cultures have significant relationships with the implementation process, but the extent of the culture's influence varies from the most effective (clan culture) to the least effective (hierarchy culture).

In 1996, Alpander and Lee investigated how the organizational development program and its application influence a company to change its culture, structure, and operating procedures and concluded that a flexible structure and adaptable employees who are willing to initiate process and procedure changes are necessary to produce high-quality products or services at the lowest possible cost.

In 2006, Ke and Wei investigated the relationship between enterprise resource planning (ERP) implementation and organizational culture and found that the success of ERP implementation is positively related to organizational culture along the dimensions of learning and development, participative decision making, power sharing, support and collaboration, and tolerance for risk and conflicts, which all form part of an organization's cultural environment. In a study of work-life strategies in the Australian construction industry, Lingard, Francis, and Turner (2012) found the need for effective communication methods about work-life intervention and strategies within the organization during strategy implementation.

Hrebniak (2006) conducted a study on obstacles to effective strategy implementation and found that poor or inadequate information sharing, unclear responsibility and accountability, and working against the organizational power structure – all part of organizational structure –results in failed implementation processes. Likewise, Lorange (1998) investigated the importance of human resources in implementing strategies in organizations and found that if a strategy implementation needs to succeed, then top management must be heavily involved in monitoring and reviewing the progress of each strategic program created by the company. In a similar study, Carlopio and Harvey (2012) focused on social-psychological principles and their influence in successful strategy implementation and found that if an organization's structure and culture are not aligned with a proposed strategy and the new behaviors required, the strategy implementation process will certainly be defeated. In a study involving Latin American firms, Brenes and Mena (2008) concluded that organizational culture supportive of principles and values in the new strategy resulted in successful strategy implementation in the sampled firms. They also revealed that 86% of the most successful companies see culture aligned to strategy as highly significant, against only 55% of less successful companies.

The Role of Organizational Structure in Strategy Implementation

Bushardt, Glascoff, and Doty (2011) studied the relationship between organizational culture and organizational reward structure and found that they are positively correlated. Feurer and Chaharbaghi's (1995) article investigated the strategic implementation process at leading computer giant Hewlett-Packard and proposed that support structures in the form of formal organizational structures are necessary for employees to act readily on the knowledge developed to craft and implement strategy. The organizational structure provides a visual explanation of two main things: the decision-making process and resource allocation.

In a strategy structure study, Chandler (1962) suggested that organizational structure has been influenced by the organization's strategies (structure follows strategy). Concurring with Chandler's (1962)study, Zaribaf and Bayrami (2010)revealed that strategy is formulated by top management exclusively and middle-level managers only implement the strategy unless a wide range of changes is required before implementation (structure alignment with strategy).

In contrast, Lorange (1998) presented a concern with business restructuring and proposed that it has to be outweighed by the anticipated gains of the new strategy. He said that too often the restructuring / right-sizing efforts lead to the unintentional discarding of know-how that could have been used for future growth in another context. Many studies have addressed the link between organizational strategy and structure by pointing out that one of the challenges in strategy implementation is weak coordination of activities. Similarly, Miller, Wilson, and Hickson (2004) proposed turning poor coordination into teamwork by realigning roles, responsibilities, and accountabilities with strategy. In contrast, Brache (1992) proposed that from an implementation perspective, it is more valuable for an organization to apply cross-functional processes to enforce strategy implementation than to change the organizational structure. Bimani and Longfield-Smith (2007) focused their study on how organizational structure influences strategy implementation and found the process of strategy implementation to be structured and formal. They also concluded that during the strategy development process greater emphasis is placed on financial information, but during the implementation phase both financial and non-financial information are emphasized. In an exploratory study involving corporate communication and strategy implementation, Forman and Argenti (2005) found that the internal communication within a company has an overarching hand not only in making strategy, but also in successfully implementing strategy.

Funk (1993) explored the process of product development and implementation strategies in large Japanese and American companies and concluded that Japanese firms, in contrast to American firms, implement strategies using a combination of organic and mechanistic structures. Similarly, Markiewicz's (2011) study also reflected the importance of processes and structures in the successful implementation of strategies and proposed that creativity, innovation, and perception of an organization as processes are very important in implementing strategies.

In addition to the research described above, Matanda and Ewing (2012) studied multinational personal healthcare company Kimberly-Clark's implementation strategies and found that brand planning processes, global branding and marketing capabilities, and processes contributed to the company's success. In line with the above studies, Slater, Olson, and Hult (2010) investigated six types of generic strategies and their implementation and concluded that the most influential perspective needed for business success requires a fit between strategy and organizational architecture. Organizational structure and design are important as they entail decisions related to resource allocation for various units and activities within the business ecosystem (Brenes, Mena & Molina, 2008).

Research Design

The survey method was used to collect data. Around 150 questionnaires were distributed to executives in Mazoon Electricity Company, Majan Electricity Company, Muscat Electricity Distribution Company, Rural Areas Electricity Company, and Electricity Holding Company. All these service-based companies are located in the Sultanate of Oman. A 5-point Likert scale was used in the questionnaire; 125 completed questionnaires were received. The demographic data were included in part 1 of the questionnaire and consisted of questions based on nominal and ordinal scales.

The analysis started with assessing the executives' responses regarding the importance and links between strategy elements (e.g., formulation, implementation, control). Then factors affecting strategy implementation were examined and executives' views on the impact of these factors were interpreted. The impact of uncertainty on the speed of implementation and adherence to business ethics was addressed after that.

Data obtained from the survey were analyzed with descriptive statistics by using SPSS version 20, a well-known statistical package. Most respondents were young executives within the age group of 36-40 years with 11-15 years of experience.

Validity and Reliability

Validity and reliability tests were performed on the survey instrument. To determine the reliability of the questionnaire, the coefficients of Cronbach's alpha (1951) were taken into account. A minimum Cronbach's alpha value above 0.90 indicates reliability of the instrument. The Cronbach's alpha value of this instrument was 0.95, which proves its validity. During the initial screening for the reliability tests, a few questions were dropped because of a correlation less than .40.

Analysis and Discussion

Importance of Strategy and Its Elements

Questions 1, 2, and 4 sought views on the strategy elements of formulation, implementation, and control. The questions addressed importance, difficulty, and which of the elements is usually overlooked by managers. Most of the executives who responded to the questionnaire believe that formulating a strategy is most important for organizations, followed by implementing the strategy. On the other hand, around 70% believe that strategy implementation is the most difficult. This result supports the literature suggesting that formulating a strategy is not sufficient for success; making it work is the challenge.

Figure 1 summarizes the findings regarding executives' views on their organization's success level in implementing strategies. As illustrated, 40% of executives say that their organizations usually succeed in implementing strategies, followed by 30% expressing a moderate view and 25% thinking that their organizations never fail, whereas none of the respondents to this question believed that their organization would never succeed and only 5% thought that the success rate in implementing strategies was very low. While the results presented in Figure 2 reflect an optimistic view in terms of success rate (65% for always and usual success), the results also show a realistic view that nobody believes the organizations will always fail as it would be meaningless to formulate strategies if such a belief existed.

The Link between Strategy Formulation and Implementation

Figure 2 demonstrates that executives in service sectors in Oman give due consideration to the workability of a strategy and consider any limitations and constraints; they also maintain the link between creating a strategy and making it work.

Figure 2 shows consistency of views collected by two questions about considering implementation and limitations at the formulation stage. The consistency shown among those who selected always or usually (forming together around 80%) indicate that the two questions were clear and understood. Linking these findings to the high success rates expressed in Figure 2 suggests that one reason behind the success rate is proper planning for a strategy at the formulation stage. Although the questionnaire did not test the involvement of middle managers, which the literature indicates is an important element for successful strategy implementation because middle managers might be in a better position to identify potential limitations at the operation level, questions 9 and 17 tested the role of communication in a successful strategy implementation. Question 9 addressed linking of business macro (overall picture) and its micros (individuals and departmental roles) to enhance the clarity of the strategy and motivate people (internal communication) and to ensure its successful implementation, whereas question 17 concerned the need to communicate the strategy to business stakeholders (external communication). Other than employees who are covered by internal communication, major stakeholders are key suppliers, key customers, contractors, and regulators, among others.

Responses support the role of communication throughout the organization and with major stakeholders as it affects and at the same time is affected by the strategy (see Figure 4). Almost all executives responding to the questionnaire held the view that to ensure successful implementation of a strategy it must be communicated internally and externally. Communication also enhances the clarity of the strategy and people's involvement and therefore commitment.

Factors Affecting Strategy Implementation

Some questions were intended to collect views about the various factors affecting strategy implementation. Based on the literature review, the focus was on three factors: leadership, organizational structure, and information systems. The leadership style affects implementation by driving the strategy, maintaining focus, being visionary, and acting as a driver for change management necessitated by the new strategy. The organizational structure explains the decision-making process, clarifies roles and responsibilities, allocates human resources, and ensures a level of flexibility to respond to unexpected circumstances. The organizational culture provides information about the internal environment and mentality, which is reflected in the level of openness, customer orientation, quality of work, and speed of accomplishing tasks and responding to changes. Information systems support the decision-making process through the quality and quantity of information available for executives to use in decision making.

Figure 4 shows executives' views on the effect of the four factors on a successful strategy implementation.

As seen in Figure 5, leadership is considered to be the most effective factor in ensuring successful implementation, followed by organizational culture and the organizational structure, scoring 28% and 26%, respectively, whereas systems was considered the least important factor among the four. This result is also supported by studies indicating that leaders play a significant role in driving the success of a strategy. Poor leadership resulted in lack of focus, less commitment by staff, missteps in coordination of activities, and improper allocation of resources. Although in mature organizations the organizational structure and culture play vital roles in the success of a strategy, the role of leadership is even more vital. On the other hand, in a very competitive market, which has yet not evolved in Oman, information availability and relevance have a great impact and are considered powerful tools for new strategies that enable firms to act faster than their competitors. This might justify the lesser score given to information systems.

Question 13 sought views on the impact of leadership style in the success or failure of a strategy and executives had to select on a likelihood scale from always to never. The question was whether they believed the style of leadership of the person(s) responsible for strategy implementation is a critical factor for strategy success or failure. The findings are presented in Figure 6.

As is clear from Figure 5, the vast majority trusts the leadership role in making a strategy work. This is consistent with the findings observed in Figure 5.

Questions 4, 8, and 10 were intended to collect views on considering the organizational structure as important and effective for successful strategy implementation. Question 4 sought views on whether organizational structure should follow the strategy or the strategy should be formulated in line with the organizational structure.

Figure 7 illustrates clearly that the executives favor starting with strategy formulation and then realigning the organizational structure to serve the strategy implementation. Having said that, it is worth noting that 25% of the executives held the view that the operational structure should only be changed to maintain organizational stability at the top management level instead of making frequent changes in line with changing strategies. On the other hand, only 15% preferred to not change the organizational structure; these executives consider the structure to be one of the limitations for a new strategy and, therefore, new strategy formulation must take into account that the strategy will be implemented in the existing structure. Questions 8 and 10 were aimed to check executives' tendency to react to a possible inconsistency between strategy and organizational structure. Figure 8 presents the finding of these two questions.

Having analyzed the responses received and plotted in the charts of Figure 7, it is clear that executives support the findings of Figure 6 by preferring to develop the strategy first and then to align the organizational structure with the strategy. However, 35% of the executives are also willing to align the strategy with the structure. In other words, some managers will explore the two approaches and then select which is more appropriate, taking into account the frequency and magnitude of changes.

Figure 8 presents managers' views on the need to dedicate resources to strategy success; allocation of resources should be in line with the implementation plan for the strategy. As expected, the vast majority refers to allocating the organization's human and capital resources to serve the successful implementation of strategy.

One difficult challenge for executives implementing strategy involves their ability to strike a balance between their focus on strategy-related tasks and activities and other tasks not directly related to strategy implementation. Figure 9 indicates that managers consider coordinating activities as a major challenge in implementing a strategy. Such coordination requires streamlining the processes, priority management, and change management for people who are accustomed to a specific task and process. The coordination should both ensure more synergy of resources and strike a balance between these tasks and other tasks that are not linked to the strategy. Responses usually focused on coordinating the activities (35%), followed by 30% who sometimes consider coordination and sometimes not. On the other hand, none of the managers always ignores such coordination.

Control in terms of progress reviews and availability of information systems to support fast and accurate progress tracking, intervention, and corrective action at the right time are key elements of successful strategy implementation. Today, having the right information at the right time with the right details itself offers a competitive advantage. Accurate information is a reliable source on which to base forecasts, which in turn assist the organization in planning for future expansions and positioning. Two questions were intended to collect executives' views on the role and importance of information systems.

The collected views presented in Figure 10 show that while 70% (25% always and 45% usually) believes that information availability and relevancy are key factors for successful strategy implementation, progress reviews that utilize the information in deciding the way forward are normally overlooked by a relatively large number of respondents. This indicates that even though people are aware of the need for information, the information is not usually used and therefore investing in information systems is a waste of money. There is no meaning in having first-class and up-to-date information if nobody uses it properly. The findings presented in Figure 11 support the findings presented in Figure 3, which considered systems as less important for a strategy than both formulating and implementing it, and findings presented in Figure 9, which ranked systems as the least effective factor for a successful strategy implementation. Although people acknowledge the importance of information systems and information availability, they tend to prioritize other factors such as leadership, organizational culture, and organizational structure, believing that these factors influence the success of a strategy implementation more than information systems. This is also obvious from the points of view expressed in response to question 1 indicating that managers prefer to develop strategy and think about how to implement it without giving much attention to control, assuming that the implementation will go smoothly and according to plan.

Having said that, note that it is highly risky in today's business world to assume certainty because nothing is certain about the future and forecasts except uncertainty.

The Impact of Certainty and Dynamism on Strategy Implementation

The impact of dynamism and certainty is tested by one question and Figure 11 presents the outcomes. The results shown in Figure 11indicate that people perceive the impact of uncertainties and unknowns differently; 40% thinks that sometimes the unknown associated with the future was a cause of failure for previous strategies, followed by 30% who thinks it is rare that their organization's strategies fail due to uncertainty or the unknown and around 25%who only consider the negative impact of uncertainties on previous strategies. Although this conclusion seems strange in today's business world, it must be viewed in the context of the country and the sector. Oman is considered a very stable country from a political, social, and economic perspective. Moreover, the service sectors covered by the survey are to some extent providing inelastic services that are dominated by a few players in the market and therefore are not affected by market fluctuations. For example, electricity distributors are monopolistic and telecommunication is oligopolistic, which might be reflected in the perceptions of executives regarding uncertainties and unknowns.

Speed of Implementation and Business Ethics

Speed of implementation is one aspect of evaluating whether a strategy implementation was successful fully, partially, or not at all. It is worth mentioning that planning for implementation, developing a workable strategy, conducting progress reviews, and enhancing the control mechanism save considerable time in implementation. On the other hand, realistic time estimations for the implementation period of a strategy are highly important because underestimating the time required might result in frustration for top managers and shareholders and tremendous, unhealthy pressure that could result in loss of confidence and disappointment for the people who are responsible of making the strategy work. The questionnaire aimed in one question to determine executives' perception of how fast the implementation of previous strategies in their organizations has been. Figure 12 presents the executives' responses, which show that 50% said that strategies are sometimes implemented more slowly than planned, and 20% responded that implementation is either usually or rarely slower. The remaining 10% is split equally between saying that strategies are always implemented more slowly than planned and the opposite view that strategies have never been implemented more slowly than planned.

The results are consistent with expectations. The nature of today's business involves high uncertainty and frequent changes to almost everything. Even organizations that are mature and have an outstanding track record of success face challenges with time when comes to strategy implementation. The 5% who suggested that strategy implementations never fall behind schedule or are always on time represents very extreme situations and does not reflect the reality.

Finally, do the ends justify the means? Executives were asked whether they would ignore or overlook some business ethics to achieve successful strategy implementation. Figure 13 summarizes their responses.

As seen in the pie chart in Figure 13, 40% said they never bypass business ethics and an equal percentage said they might ignore ethics but very rarely. The surprise was to have 10% of respondents say that they usually prioritize successful implementation despite any breaches of business ethics.

Conclusion, Recommendations, and Limitations

Strategy implementation, as demonstrated through this report, is a field of interest for both businesses and researchers. The topic has been approached from different angles and in different ways. This study covered major aspects of strategy implementation that generally apply to all organizations, such as the link between strategy formulation and implementation, factors affecting successful implementation, challenges facing organizations, and executives' involvement.

The study addressed in detail the roles of corporate communication (internal and external), leadership, organizational structure, and control mechanisms. The information from analysis of responses to a questionnaire distributed to executives in the service sectors in Oman provides an initial indication and a first impression of strategy implementation in the Omani context. Although the sample data received might not be sufficient to draw a conclusion about the topic from the perspective of the service sectors in Oman, the study is a step in the right direction and requires additional efforts in a longer time frame to capitalize on the findings presented in this study. One important conclusion of this study is that strategy implementation cannot be studied in isolation from the country, industry, or organizational culture and environment. The literature review highlighted the reception, approach, and views of Asian, Japanese, American, Iranian, and Slovenian firms and executives.

The views presented were obviously influenced by the country culture. For example, frequent changes in American semiconductor firms' strategies have not affected their Japanese competitors, which spend a longer time in implementing longer term strategies instead of making frequent changes to strategies, but it has affected other American firms. Add that Slovenian executives believe that the effectiveness of leadership in successful implementation of a strategy comes after the role of information and control systems, which is totally different from American and other Western firms discussed in the literature, which perceive leadership as the most influential factor. The Omani version also pays less attention to uncertainties and unknowns, believing they have limited influence and should not be given considerable attention. This view reflects Oman's stable and steadily growing economy and limited international competition in the service sectors resulting from regulations, government protection, size of the market, and business executives' mentality and culture.

Finally, this study recommends conducting further detailed studies on this topic and spending considerable effort to market the effort to the private sector in Oman and explore opportunities for interested firms to fund these studies. Extending the research with real-life examples from industry would enhance the credibility of the study. It would also result in a win-win situation for the body of knowledge regarding Oman and firms in the country in guiding them scientifically to position themselves positively for anticipated global competition consistent with Oman's movement to liberalize its markets and its obligations under free trade agreements and World Trade Organization membership.

The sample covered only one element in Oman's service sector and, therefore, it is too early to generalize the conclusions in this study to the entire service sector in Oman. Due to the short time frame of this study and imperfect planning, the questionnaire and information collection was limited to the electricity sector with an aim to extend the study to cover other sectors, such as telecommunications, sewage, municipal, health, post, and transportation. A longer time frame and more dedicated efforts are needed.

On the other hand, the service sector in Oman is almost half and half divided between the public and private sectors. While electricity, telecommunications, sewage, and post operate in the private sector (with full government ownership except for telecommunications, where the government owns the majority of only one operator), other sectors such as health, municipal, and higher education are either a combination of public and private sector or totally provided by the government. Management of many of these firms in the absence of real competition is either not aware of the need to formulate a strategy and implement it (clarity of strategy) or believe there is no need to do so due to the business structure. Therefore, careful consideration is needed when seeking views to avoid misleading information influenced by managers' knowledge and experience of corporate and business strategy.

Having said the above, it is worth mentioning that the definition of service sector is wide enough to re-conduct this study with proper planning and a longer time frame. I have not so far encountered any difficulty with information gathering and respondents showed a willingness to participate but needed more to complete the questionnaire due to their busy schedules.

Figure 1: Success Rates of Strategy Implementation

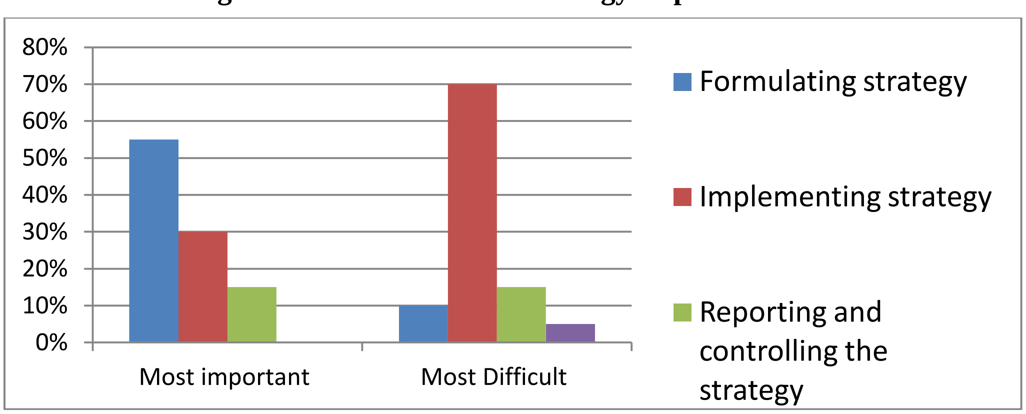


Figure 2: Consideration of Implementation at the Strategy Formulation Stage

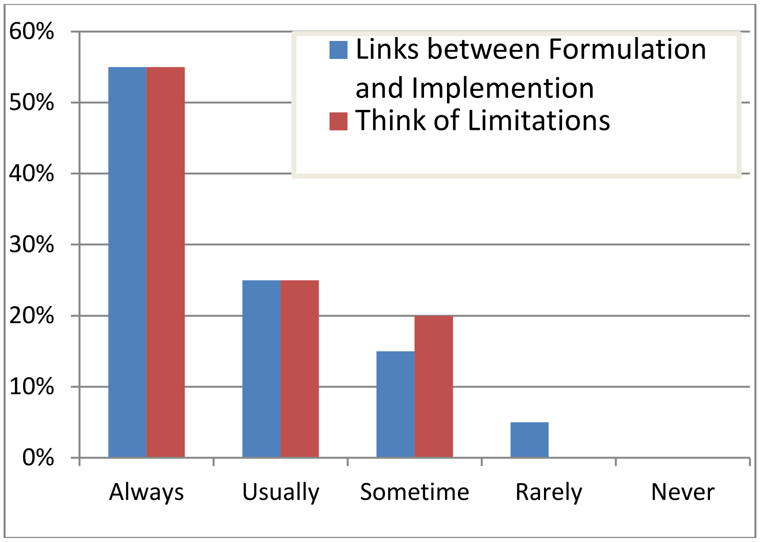


Figure 3: Role of Internal and External Communication in Successful Strategy Implementation

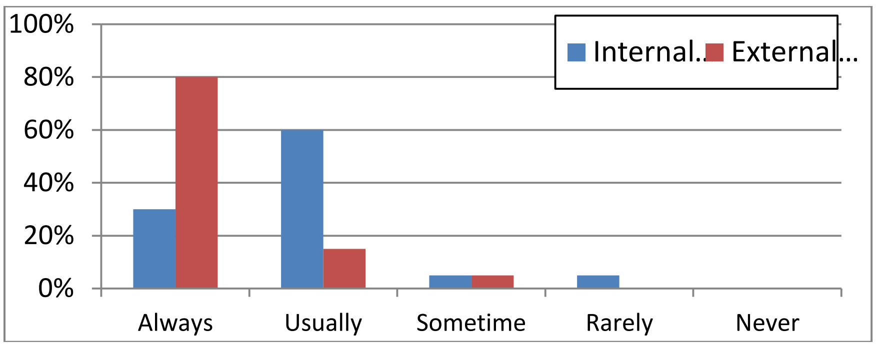


Figure 4: Factors Affecting Strategy Implementation

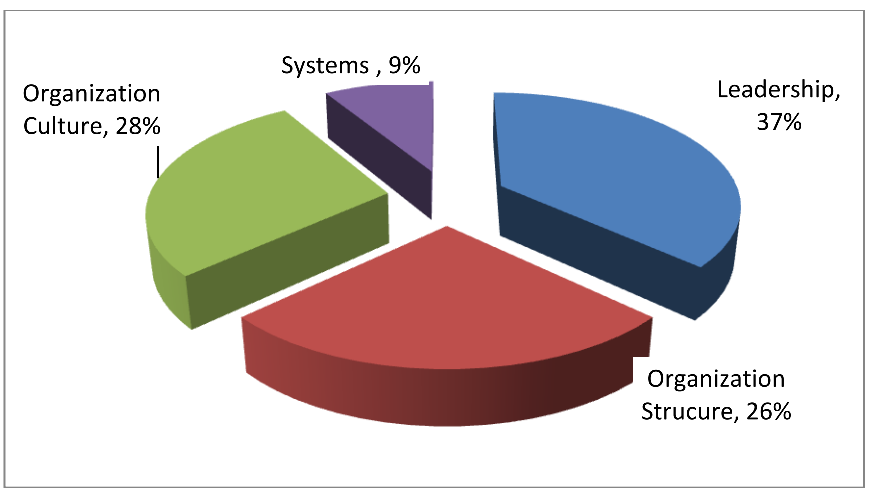


Figure 5: Role of Leadership in Successful Implementation

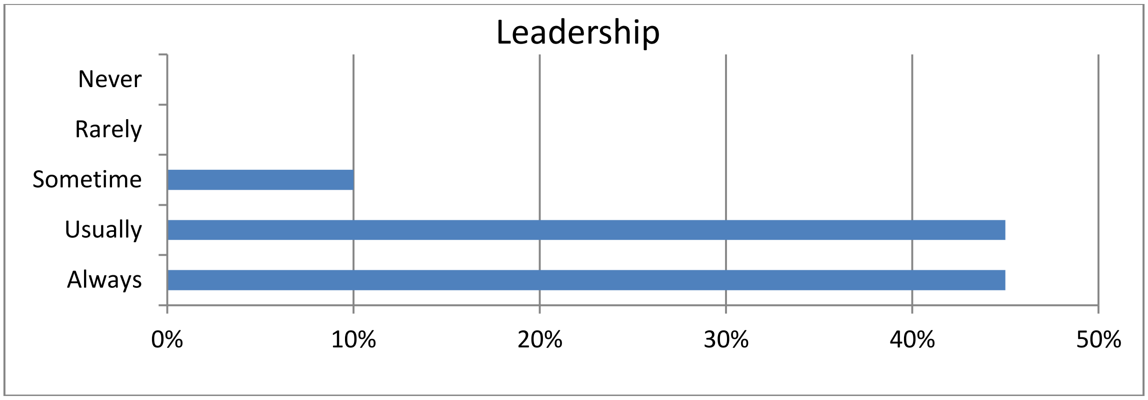


Figure 6: Strategy or Organizational Structure: Which Is First?

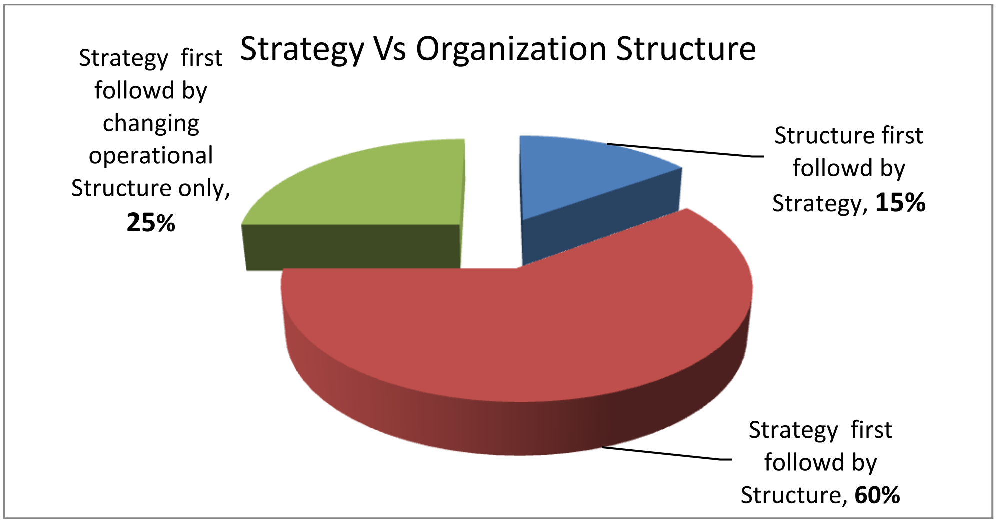


Figure 7: Aligning Strategy and Organizational Structure

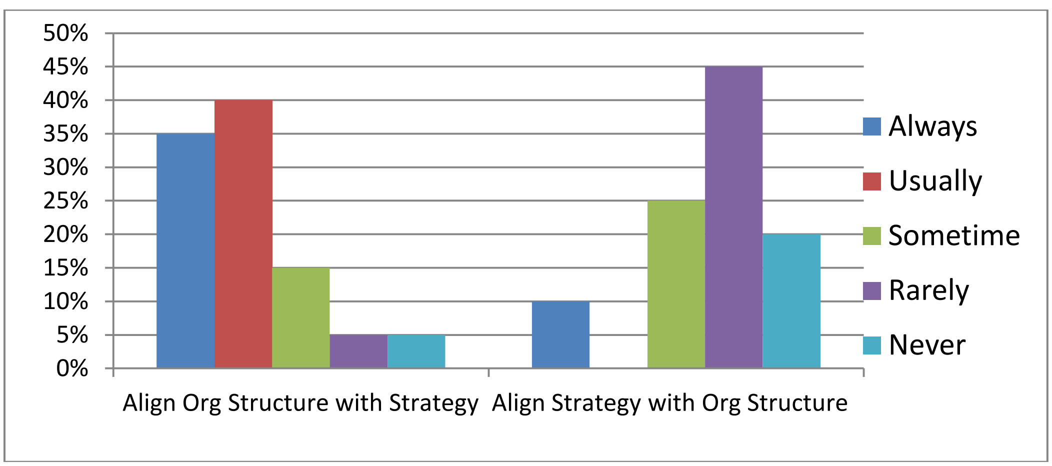


Figure 8: Allocating Resources According to Strategy Requirements

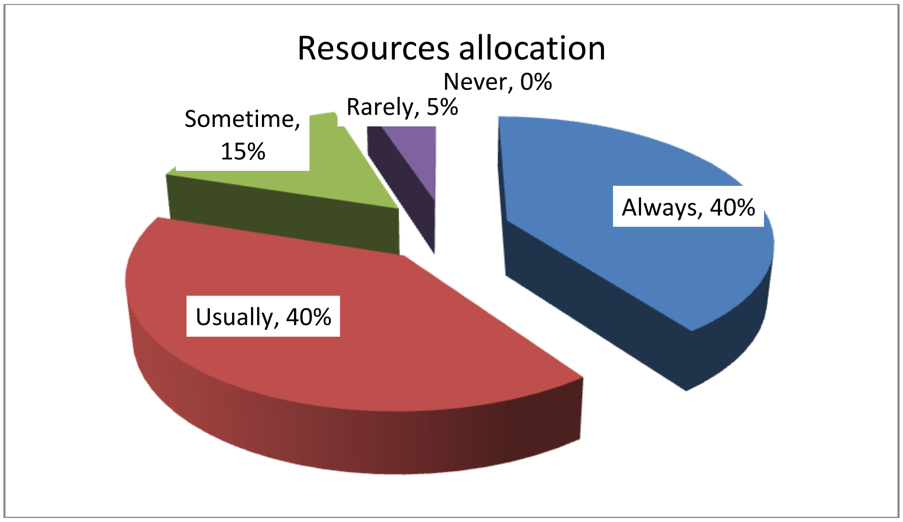


Figure 9: Effect of Coordinating Activities on Strategy Implementation

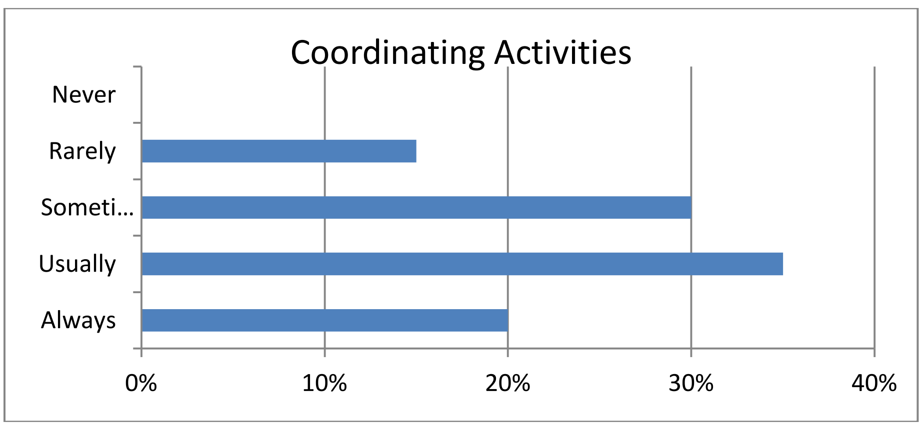


Figure 10: Importance of Information for Controlling Strategy Implementation

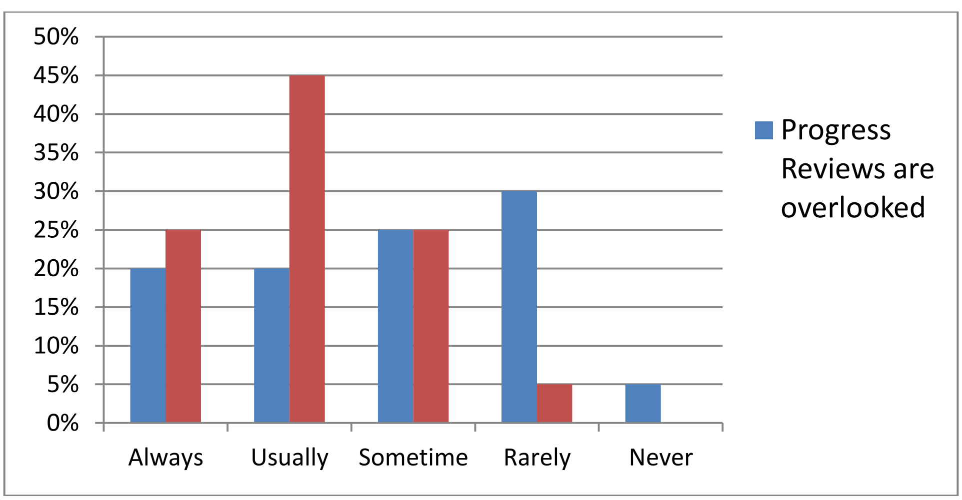


Figure 11: Unknowns and Uncertainties as Causes of Failure in Implementing Previous Strategies

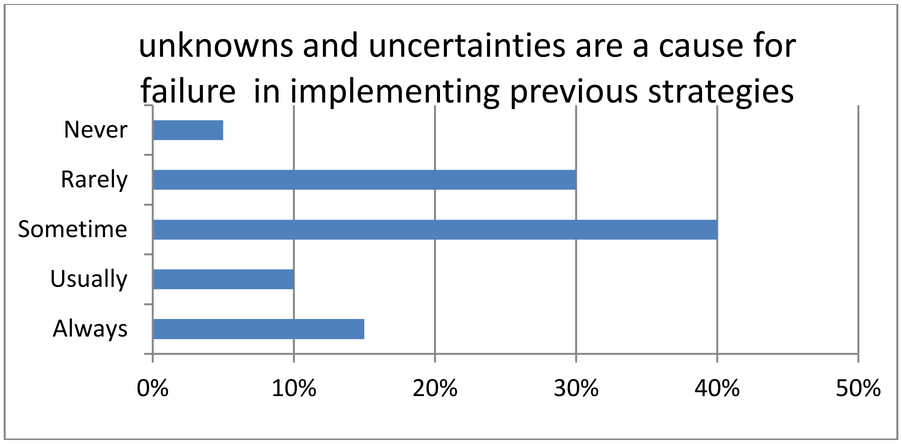


Figure 12: Speed of Strategy Implementation is Slower than Planned

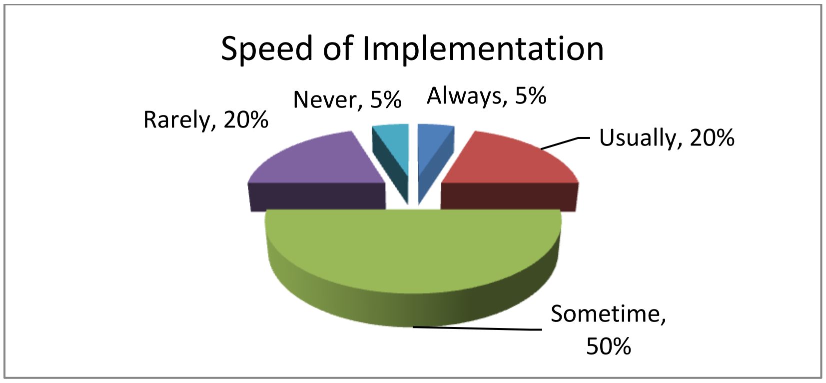
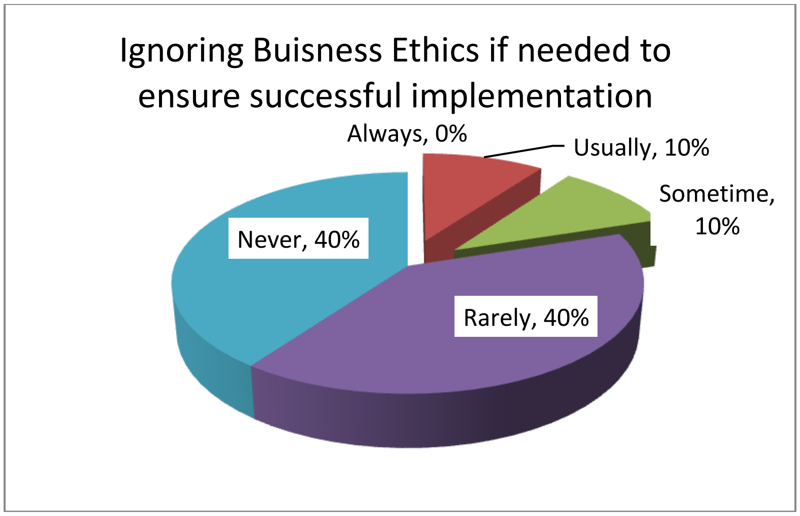


Figure 13: Successful Implementation and Business Ethics



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